

# STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

The parties' contract comprises this Standard Agreement Form, as well as its referenced Articles and their associated Appendices

1. Agency Contract Number 2020-0400-0010	2. DGS Solicitation Number N/A	3. Financial Coding	4. Agency Assigned Encumbrance Number
5. Vendor Number VC023714	6. Project/Case Number Economic Assessment - Oil Tax Structure Analysis	7. Alaska Business License Number 2087894	


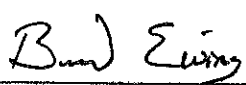

This contract is between the State of Alaska,

8. Department of Department of Revenue	Division Commissioner's Office	hereafter the State, and
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hereafter the Contractor  
King Economics Group

Mailing Address 8123 Easy Street	Street or P.O. Box	City Juneau	State AK	ZIP+4 99801-9124
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10. <b>ARTICLE 1. Appendices:</b> Appendices referred to in this contract and attached to it are considered part of it.	
<b>ARTICLE 2. Performance of Service:</b>	
2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.	
2.2 Appendix B sets forth the liability and insurance provisions of this contract.	
2.3 Appendix C sets forth the services to be performed by the contractor.	
<b>ARTICLE 3. Period of Performance:</b> The period of performance for this contract begins <u>July 1, 2019</u> , and ends <u>June 30, 2020 with two (2), one (1) year renewal options</u> .	
<b>ARTICLE 4. Considerations:</b>	
4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed <u>\$50,000.00</u> in accordance with the provisions of Appendix D.	
4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:	
11. Department of Revenue	Division: Commissioner's Office
Mailing Address PO Box 110410 Juneau, AK 99811-0420	Attention: Dorie Choquette

<b>12. CONTRACTOR</b>		<b>14. CERTIFICATION:</b> I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alternations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.	
Name of Firm King Economics Group			
Signature of Authorized Representative 	Date 6/11/19		
Typed or Printed Name of Authorized Representative Ed King			
Title Owner			
<b>13. CONTRACTING AGENCY</b>		Signature of Head of Contracting Agency or Designee 	Date 6/17/2019
Department/Division Dept. of Revenue, Commissioner's Office	Date 6/10/19	Typed or Printed Name Brad Ewing  Title Director, Administrative Services Division	
Signature of Project Director 			
Typed or Printed Name of Project Director Bruce Tangeman			
Title Commissioner, Department of Revenue			

**NOTICE:** This contract has no effect until signed by the head of contracting agency or designee.

## APPENDIX A

### GENERAL PROVISIONS

#### Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

#### Article 2. Inspections and Reports.

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

#### Article 3. Disputes.

- 3.1 If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.

#### Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of contract.

#### Article 5. Termination.

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. In the absence of a breach of contract by the contractor, the State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

#### Article 6. No Assignment or Delegation.

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

#### Article 7. No Additional Work or Material.

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

#### Article 8. Independent Contractor.

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

#### Article 9. Payment of Taxes.

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

**Article 10. Ownership of Documents.**

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Nevertheless, if the contractor does mark such documents with a statement suggesting they are trademarked, copyrighted, or otherwise protected against the State's unencumbered use or distribution, the contractor agrees that this paragraph supersedes any such statement and renders it void. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

**Article 11. Governing Law; Forum Selection**

This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

**Article 12. Conflicting Provisions.**

Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it seeks to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

**Article 13. Officials Not to Benefit.**

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

**Article 14. Covenant Against Contingent Fees.**

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

**Article 15. Compliance.**

In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.

**Article 16. Force Majeure:**

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

## APPENDIX B<sup>1</sup>

### INDEMNITY AND INSURANCE

#### Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

#### Article 2. Insurance

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a notice of cancellation, nonrenewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

**2.1 Workers' Compensation Insurance:** The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

**2.2 Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

**2.3 Commercial Automobile Liability Insurance:** covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

## **APPENDIX C**

### **SCOPE OF WORK**

Ed King, DBA, King Economics Group, hereafter referred to as the "Contractor", shall perform the services described in Appendix C for the Department of Revenue, Commissioner's office, hereafter referred to as the "State."

Under this contract, the Contractor shall perform services including:

#### **Scope of Work:**

An in-depth assessment of Alaska's tax system on the economics of projects currently being evaluated on the North Slope. This analysis would use publicly available information to create an economic model, which would resemble some of the projects currently being pursued and determine the impact of tax policy changes on the economics of the projects. This would expose the sensitivity of these projects to such changes and provide the risk-weighted average net revenues that could be expected under different scenarios. In addition, the contractor would evaluate the economic implications on legacy fields and critical infrastructure. This would include economic limit testing, investment decision analysis, and midstream component consideration on deliverability and end of economic life.

#### **Deliverable:**

A long-term production forecast, with risk assessments and output distributions under various policy proposals which will be provided prior to the 2020 legislative session.

All work shall be directed by the State, and any changes to the scope of work will be at the sole discretion of the State.

The State of Alaska reserves the right to negotiate with the Contractor for additional services as necessary for work to be accomplished.

#### **Contract Amendments:**

The Contractor shall notify the State in writing as soon as possible, but no later than 30 days prior to the contract expiration date of any known circumstances which may require an extension of the contract completion date.

#### **Contract Termination:**

In addition to the State having the right to cancel the contract due to the lack of appropriated funds, the State may, with a 30-day written notice, terminate the resulting contract in whole or in part, when it is in the best interest of the State. The State is liable only for payment for service rendered before the effective date of termination as stated in Appendix A, Article 5.

## **APPENDIX D**

### **PAYMENT SCHEDULE**

#### **Total Contract Amount and Term:**

Total contract amount is anticipated to be \$50,000.00. Period of performance begins July 1, 2019 and ends June 30, 2020 with two (2), one (1) year renewal options.

#### **Compensation:**

Hourly rates     \$150 per hour

#### **Contract payments will be made to:**

King Economics Group  
Attn: Ed King  
8123 Easy Street  
Juneau, AK 99801

#### **Submission of Invoices and Billings:**

The Contractor shall submit a monthly billing to the State. Invoices must include the number of hours worked and a summary of the work performed.

#### **Invoices shall be submitted to:**

Department of Revenue, Commissioner's Office  
Attention: Dorie Choquette  
PO Box 110410  
Juneau, AK 99811-0410

#### **Contract Cancellation for Lack of Funds:**

The State may cancel this contract at any time due to the lack of appropriated funds.